THE EMPIRICAL VERIFICATION OF SHARPE AND TREYNOR MODELS ON THE WARSAW STOCK EXCHANGE IN 2002-2004.

Summary - The paper compares the effectiveness of investments in stocks using Sharpe and Treynor models on the basis of author's own calculations. The analysis is conducted for enterprises and banks that built WIG20 index at the end of 2004, which is after the quarterly-made correction at the end of September. The examination period starts from January 2002 and lasts up to December 2004. It is proved that the appraisal of the investment effectiveness with these two models leads to different conclusions as far as risk and rates of return are concerned. It is due to various attitudes towards risk presented by Sharpe and Treynor.